

SENATE BILL No. 238

DIGEST OF INTRODUCED BILL

Citations Affected: IC 27-1-20-34.

Synopsis: Required errors and omissions policy coverage. Prohibits an insurer from entering into a contract with a licensed insurance agent unless the agent is covered by an errors and omissions policy covering the legal business activities of the insurance agent. Specifies minimum policy limits.

Effective: January 1, 2000.

Nugent

January 6, 1999, read first time and referred to Committee on Insurance and Financial Institutions.

C
o
p
y



First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

SENATE BILL No. 238

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 27-1-20-34 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2000]: **Sec. 34. (a) For purposes of this section,**
4 **"insurance agent" has the meaning set forth in IC 27-1-15.5-2(b).**
5 **(b) An insurer may not enter into a contract with an insurance**
6 **agent licensed under IC 27-1-15.5 unless the insurance agent is**
7 **covered by an errors and omissions policy covering all legal**
8 **business activities of the insurance agent.**
9 **(c) The errors and omissions policy required under subsection**
10 **(b) must be in limits of at least:**
11 **(1) one hundred thousand dollars (\$100,000) per claim; and**
12 **(2) an aggregate of three hundred thousand dollars (\$300,000)**
13 **per policy period.**

